

## *Choice Performance Confirmation Program* Overview

The Office of Financial Management, State HR Division (SHR), is proud to launch its new performance management program, Choice Performance Confirmation. Your agency can and should be recognized for the hard work you are doing to engage and develop your employees!

### **Introduction**

This guide will assist your agency in obtaining Choice Performance Confirmation (CPC). It contains a summary of the CPC program, a detailed list of program requirements, evaluation standards, process steps, and resources and tools to help your agency receive confirmation.

### **Performance-based culture**

Moving to a performance-based culture can increase organizational productivity by as much as 40 percent.<sup>1</sup> Turnover in high-performance organizations averages almost 40 percent less than low-performing organizations.<sup>2</sup>

A key feature of a performance-based culture is the link between employee performance and employment decisions, such as promotions and rewards. Being able to distinguish and meaningfully recognize achievements and desired behavior speaks volumes about what is important and valued in an organization. Organizations must ensure that rewards and other significant employment decisions differentiate between high, average and low performers. This requires the courage of supervisors and managers to address performance issues and a long-term commitment from executive management.

### **Choice Performance Confirmation**

This confirmation process will help you to develop a credible employee performance management program, build employee confidence in the agency's employee performance management program and enhance a performance-based culture.

An agency receiving confirmation successfully demonstrates:

- An ingrained performance-based culture.
- A commitment to its staff's learning and development.
- A successful performance planning and evaluation process.
- An internal quality review process of performance plans and evaluations.
- Extensive training of staff and supervisors.
- A high level of employee confidence.

Confirmation is required for an agency to institute performance as a factor in granting recognition leave. The purpose of confirmation is for employers to be able to verify that they are prepared to make performance-based decisions in a predictable and transparent manner that ensures the public's trust. Ultimately, our goal is to build a performance-based culture in state government

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<sup>1</sup> Howard Rischer, a nationally renowned expert in compensation and performance management, in his article "Pay-for-Performance: The Keys to Making it Work." This article is a synopsis of the U.S. Office of Personnel Management's 2002 white paper on this subject for federal employees.

<sup>2</sup> Mark Huselid, Brian Becker, and Dave Ulrich, The HR Scorecard - Linking People, Strategy, and Performance

where organizational goals and performance measures cascade throughout the agency to teams and to each employee's individual performance goals and targets. To that end, the confirmation review process is designed to evaluate the agency's ability to:

- Create and manage a performance-based culture.
- Link individual, team and organizational performance goals.
- Meaningfully distinguish among different levels of performance.
- Develop a fair and transparent performance management program designed to improve organizational performance.

### **Choice Performance Confirmation options**

Confirmation may be obtained for:

- Performance-based Recognition Leave (WAC 357-37-050)
- Performance-based leave (WAC 357-31-565)
- Any combination of the above.
- For all or part of an agency.

Once an agency has received performance confirmation, it will have authority to administer the approved practices. Additional practices may be implemented at a later date following approval by the Office of Financial Management (OFM) director.

### **Choice Performance Confirmation program summary and components**

New best practices and research suggest that traditional performance management methodologies are losing effectiveness in the ever-changing business climate. To ensure the state of Washington is moving toward being an employer of choice, we have adopted a more innovative performance management program. Our program incorporates a WAC requirement component, the six best practice components of an innovative performance management process (which are described later in this overview document) and a pyramid-type model that allows each agency to visually gauge how it is progressing toward becoming a choice employer.

It's understood though that performance management is a journey, and agencies will be at different points along that journey. SHR has built in the flexibility that agencies require to continually push their organization to improve. This pyramid-type model should be used to motivate and drive each agency to the ultimate platinum-level goal to ensure the highest level of employee and organizational performance. A platinum-level performance management agency will meet all seven of the components. If your agency meets five to six components of the CPC program, the agency is awarded a gold level; three to four components, a silver level; and two components, a bronze level. To earn the ability for agencies to use the performance-based leave, agencies must meet at least the silver level.

As an agency moves up the pyramid model, each level awards the agency more flexibility and rewards. Beginning at the bronze level, an agency should be meeting the state’s minimum requirements of performance management as noted in WAC 357-37 as well as one additional component of their choice (totaling two components). At this level, agencies are rewarded with a Bronze Performance Management Badge, which they can use on their recruitment/job posting sites to note that they are invested in bettering their employees’ performance management experience and overall job growth and development.

At the silver level, an agency should be meeting the state’s minimum requirements of performance management as well as two to three additional components (totaling three to four components). At this level, agencies are rewarded with a Silver Performance Management Badge as well as the ability to grant performance-based leave to their employees.

At the gold level, an agency should be meeting the state’s minimum requirements of performance management as well as four to five additional components (totaling five to six components). At this level, agencies are rewarded with a Gold Performance Management Badge, the ability to grant performance-based leave and recognition from the governor in the form of a Public Service Recognition Week award.

At the platinum level, an agency should be meeting the state’s minimum requirements of performance management as well as six additional components (totaling all seven components). At this level, agencies are rewarded with a Platinum Performance Management Badge, the ability to grant performance-based leave, recognition from the Governor and an “agency spotlight” on the CPC website.

#### LEVELS OF THE CHOICE PERFORMANCE CONFIRMATION PROGRAM

AGENCY REQUIREMENTS			AGENCY REWARDS		
Meets state’s min. requirements of performance mgmt. (WAC 357-37)	Number of additional components met		Recognition from the Governor	Ability to grant performance-based leave	Performance Management Badge for use in recruitment
✓	6	4 <b>PLATINUM</b>	✓	✓	✓
✓	4-5	3 <b>GOLD</b>	✓	✓	✓
✓	2-3	2 <b>SILVER</b>		✓	✓
✓	1	1 <b>BRONZE</b>			✓

[See an accessible version of this diagram at: [http://hr.ofm.wa.gov/sites/default/files/documents/WorkforceData/CPC/PMC\\_Pyramid.pdf](http://hr.ofm.wa.gov/sites/default/files/documents/WorkforceData/CPC/PMC_Pyramid.pdf)]

Again, each level represents a new level of commitment from the agency along its path of becoming a platinum performance management confirmed agency and ultimately, a choice employer.

Seven components are part of the CPC program: one is a WAC requirement, the other six best practice components.

1. **Performance review requirement** – An agency must meet the minimum state WAC requirements for performance management (WAC 357-37). This includes but is not limited to:
  - a. The employer must develop and implement a performance management policy outlining key points in this/her performance management program.
  - b. The employer must provide employees with expectations for how they will be successful in performing their job duties.
  - c. The employer must provide feedback for probationary employees or permanent employees serving a trial service period/transition review period before the employee attains permanent status, or on an annual basis for a permanent employee.
  - d. The employer must use a standardized performance planning and evaluation procedure and form, or an approved alternate.
2. **Rewards** – A reward program should be customized to the agency and be evaluated regularly to ensure that rewards continue to be valuable and motivate employee performance. The most successful rewards programs are simple and flexible. The agency must develop a fair, consistent and transparent process for allocating rewards to employees using oversight from HR and executive leadership.
3. **Recognition** – An agency should develop a recognition program that focuses on more continuous recognition and/or social type recognition systems. It should shift the emphasis from formal recognition that typically focuses on huge milestone achievements, to smaller, more meaningful contributions. A thorough program will not only recognize individual team members, but also teams, work groups or divisions.
4. **Coaching for performance** – A coaching program should emphasize an ongoing coaching relationship between managers and all employees instead of coaching the choice few. Performance coaching can identify an employee's growth, as well as plan and develop new skills. Using their coaching skills, supervisors evaluate and address the developmental needs of their employees and help them select diverse experiences to gain necessary skills. A thorough program includes training for both managers and staff as well as a way of measuring its success.
5. **Effective, continuous feedback** – A successful performance management program will have a built-in process to give more just-in-time and meaningful feedback as opposed to feedback that is no longer relevant or outdated. The agency should have a program that provides feedback to employees at regular intervals, which includes the flexibility of not always being documented in a formal performance development plan (PDP). This continual feedback allows for managers to set new and updated expectations for short- and long-term priorities. It also allows them to comment on recent work efforts and most importantly, provide course correction, coaching or updates to expectations.
6. **Agile goal setting** – An agency should be using a method that allows for changing goals and priorities. As business conditions change throughout the year, managers and employees must be able to adjust their priorities and expectations accordingly. An agency should create a flexible method for updating these expectations.
7. **Strengths-based development** – An agency should use a process that promotes cultivating employees' strengths which allows each employee to have a great impact on his/her

performance and ultimately his/her engagement. A thorough process should identify employee talents and align talents with work efforts, whenever possible.

### **Evaluation process**

SHR will evaluate your application for confirmation against 10 criteria (WAC 357-37-065) in addition to the seven program components. This will allow us to determine your agency's readiness to implement and maintain a successful performance management program. SHR staff are available to provide consultation and assistance during development of your employee performance management and performance incentive program. Key factors that will be considered during the evaluation are:

- Executive leadership commitment to the program
- Accountability for effective program administration
- How effectively the program will align accomplishment of individual results with agency goals and performance measures
- Employee confidence in the program

The 10 confirmation criteria are:

1. **Executive commitment and directive** – The chief executive has communicated to all affected employees the importance of establishing a performance-based culture and the need to link individual performance with the organizational goals and performance measures.
2. **Readiness assessment** – An agency demonstrates that:
  - It has the minimum number of required components of the revised CPC program.
  - Employees have confidence in management’s ability to manage performance.
  - It has thoroughly assessed its strengths and weaknesses, and has addressed any significant gaps.
3. **Roles and responsibilities** – The roles and responsibilities of managers, supervisors, employees, human resource staff and others with program responsibility are clearly outlined and communicated.
4. **Management accountability** – The CPC program includes processes and procedures for maintaining management accountability.
5. **Internal policies and procedures** – The agency has policies and procedures that describe how performance may be factored into recognition leave.
6. **Communication plan** – The employer’s communication plan provides timely and clear information to all employees to help them understand policies, procedures and timelines and how they will be affected. It also contains a plan for external stakeholders and the media to ensure transparency and credibility.
7. **Performance management orientation and training** – Prior to implementation, managers and supervisors will receive orientation and training in performance management theory and application; performance and development planning and evaluation; and performance-based leave. The agency must demonstrate that employees and managers have and will continue to receive training to manage the program.
8. **Performance and development plan implementation** – The performance appraisal process is fully integrated with and supports the performance incentive program. The PDP or approved alternate form has been implemented for all employees subject to performance-factored decisions, and all affected supervisors have received training on the form and process. A procedure is in place to ensure review of performance assessments for those subject to performance-factored decisions.
9. **Funding approach for program** – The agency has a sustainable funding approach to support the program.
10. **Monitoring and measuring success** – The agency has a monitoring process to evaluate program operations and organizational impact. This also includes annual reporting to SHR on organizational results and program success.

#### Time frame

During the program, we will be gaining better insight on how long it will take for an agency to receive confirmation. SHR assumes it will take at least six months to a year for an agency to complete its self-assessment, strengthen its employee performance management program and develop its program components. Agencies that receive confirmation may choose to go through several performance planning and evaluation cycles before submitting their application materials.

## Application process

Applying for confirmation is a multi-step process that includes the following:

### Pre-application

1. **Briefing.** Your HR manager/director and HR staff receive a briefing on the CPC Program from SHR.
2. **Project manager.** Your agency will likely need to appoint a project manager and convene a work group to assess readiness, develop plans and/or missing components and prepare submissions.
3. **Preliminary readiness assessment.** Use the SHR Preliminary Readiness Assessment tool and the Employee Performance Management Program Survey to evaluate your agency's strengths relative to the confirmation criteria.
4. **Preliminary application packet.** Once you are satisfied you meet the baseline requirements, complete and submit the results of your Preliminary Application Submittal and your Employee Performance Management Program Survey to SHR. This preliminary application packet must demonstrate that you meet certain readiness criteria. The packet will be evaluated and you will be provided feedback on your agency's readiness to move forward.
5. **Executive meeting.** Your chief executive/deputy and SHR discuss expectations and you obtain formal approval to move forward with development of your performance management program. This may include scheduling a target date for final submission.

### Program development

6. **Develop/Document program.** The project manager and work group develop model PDPs and work on the seven CPC program components, including:
  - Develop and/or document current program components including procedures, implementation and communication strategies and plans, and monitoring procedures
  - Program award criteria and process
  - Recommendation and approval process
  - Reconsideration process
  - Roles, accountability, policies and procedures
  - Training strategies and plans
  - Funding

The CPC program should have a full action plan as well as an analysis where there are gaps.

### Final Application

7. **Confirmation review group.** SHR will convene a confirmation review group (CRG) consisting of three representatives from confirmed agencies. In addition to evaluating your final application, the CRG will provide feedback and input as you develop your program and submit your final application. SHR is also available for consultation as you move through the conformation process.
8. **Final application.** When ready, the project manager and work group complete and submit the final application to SHR. SHR will review the plan against the 10 confirmation criteria, ensure the program contains the components of a successful performance management program and schedule a briefing.
9. **Briefing.** Your chief executive/deputy, project manager and work group present your application to SHR and the CRG.

10. **Deliberations.** SHR and the CRG analyze the final application and make a recommendation to the OFM director or designee.
11. **Decision.** The OFM director or designee makes a decision on whether to grant confirmation.

#### Implementation

12. **Post-confirmation implementation.** Following confirmation, you provide training to your supervisors on your performance incentive program. After training, the project manager and work group assess results and prepare to implement the award program.
13. **Post-confirmation monitoring report.** Following the distribution of your first-year awards, you will conduct another Employee Performance Management Program Survey. Those results will be included in your initial report to SHR. In addition to the survey results, your agency collects data, analyzes the results and submits a report to SHR following SHR guidelines. SHR analyzes the report and provides input to the OFM director or designee. Confirmed agencies are required to submit annual reports to SHR following their designation. SHR will work with an agency to help assure a successful program by providing consultations, other agency examples and resources. SHR reserves the right to remove an agency's designation if its performance management program no longer meets the required components.
14. **Post-confirmation program development.** Following confirmation, your agency should be continually developing and pushing forward your performance management program to better align with your agency culture and new best practices by either improving current CPC program components and/or developing additional components. Any changes to current components, or development of new components, are required to be reported to SHR as they occur.

#### Consultation and assistance

SHR is available to provide consultation and assistance throughout the confirmation process, including a briefing to your executive management team about the confirmation process. Please contact Don Chavez at [don.chavez@ofm.wa.gov](mailto:don.chavez@ofm.wa.gov) for more information.

#### Tools and resources

Use the following tools and resources to learn more about the confirmation process:

- Choice Performance Confirmation Program – Overview
- Application Guide – Preliminary Application Submittal Guide
- Preliminary Readiness Assessment
- Employee Performance Management Program Survey
- Baldrige/WSQA Question Crosswalk Table
- Final Application and Guide
- Monitoring Report Guide